



Sibley

**Sibley
Memorial
Hospital**

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September 8, 2009

Honorable Gennet Purcell, Esq.
Commissioner
D.C. Department of Insurance, Securities and Banking
810 First Street, NE
Suite 701
Washington, DC 20002

Dear Commissioner Purcell:

The purpose of this letter is to provide comments related to the public hearing scheduled for September 10, 2009, to determine whether CareFirst BlueCross BlueShield holds excessive cash reserves in its District affiliate GHMSI. I believe that I can offer a unique perspective on this issue since I serve as the President/CEO of Sibley Memorial Hospital in the District and I also serve as a Board member of CareFirst, Inc., and GHMSI.

CareFirst BlueCross BlueShield is the largest insurance payor (aside from Medicare) for services provided by Sibley Memorial Hospital. They represent approximately 25 percent of our business and so we have a significant interest in their long-term viability and reserves to withstand fluctuations in the healthcare market. Sibley Memorial Hospital is also a large employer in the District of Columbia and CareFirst BlueCross BlueShield is the insurance product chosen by 95 percent of our employees. From a business point of view, we believe that the Board of Directors of CareFirst BlueCross BlueShield has the obligation and responsibility to maintain the financial strength necessary to pay for services rendered at hospitals like Sibley. The first obligation of CareFirst BlueCross BlueShield is to their subscribers in the greater Washington metropolitan area for providing them with affordable health coverage products and services. The second major obligation of CareFirst BlueCross BlueShield is to maintain adequate financial strength including reserves to pay for services rendered to their subscribers.

Sibley Memorial Hospital and all other hospitals in the metropolitan area are currently preparing contingency plans in the event of an H1N1 influenza outbreak. Should this region suffer a major H1N1 outbreak, it could strain the financial resources of CareFirst BlueCross BlueShield and other insurance carriers to pay for services rendered. As a major healthcare provider, we depend upon the insurance companies to be able to pay for the services we provide.

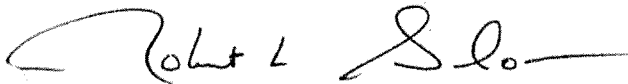
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As a member of the Board of Directors of CFI and GHMSI, I take my responsibilities seriously to ensure that the company is managed appropriately and that adequate reserves are available for any contingency. Reports that we have received from third parties and a comparison of GHMSI reserves to other Blue Cross plans indicate under any measurement that we do not have excess reserves. GHMSI has demonstrated that it is a responsible corporate citizen by providing millions of dollars to charitable grants in support of providers of last resort to citizens of the District of Columbia. I have served as a senior executive in District hospitals for over 30 years, and I urge you to respect the fiduciary responsibility of Board members and not weaken the financial viability of GHMSI. There is far too much uncertainty in this environment and there is too much at stake for healthcare providers who depend upon GHMSI. I urge you to be cautious, careful, and wise in your review of the financial assets, obligations of the company, and responsibilities of the Board of Directors.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert L. Sloan", with a long horizontal flourish extending to the right.

Robert L. Sloan
President and CEO

RLS:smo